

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**  
**Project Staff Report**  
**Tax-Exempt Bond Project**  
**November 30, 2022**

Tripoli, located at 51392 Cesar Chavez St. in Coachella, requested and is being recommended for a reservation of \$2,911,303 in annual federal tax credits to finance the new construction of 107 units of housing serving families with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Chelsea Investment Corporation and will be located in Senate District 56 and Assembly District 28.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers. The project financing includes state funding from the Infill Infrastructure Grant (IIG).

**Project Number** CA-22-593

**Project Name** Tripoli  
**Site Address:** 51392 Cesar Chavez St.  
Coachella, CA 92236 County: Riverside  
**Census Tract:** 457.07

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$2,911,303	\$0
Recommended:	\$2,911,303	\$0

**Applicant Information**

**Applicant:** Pacific Southwest Community Development Corporation  
**Contact:** Robert Laing  
**Address:** 16935 W Bernardo Dr STE 238  
San Diego, CA 92127  
**Phone:** 858 675 0506  
**Email:** robertlaing@pswcdc.org

**General Partner(s) or Principal Owner(s):** CIC Tripoli, LLC  
Pacific Southwest Community Development Corp.  
**General Partner Type:** Joint Venture  
**Parent Company(ies):** Chelsea Investment Corporation  
Pacific Southwest Community Development Corp.  
**Developer:** Chelsea Investment Corporation  
**Bond Issuer:** California Municipal Finance Authority  
**Investor/Consultant:** The Richman Group Equity  
**Management Agent:** ConAm Management Corporation

**Project Information**

Construction Type: New Construction  
 Total # Residential Buildings: 2  
 Total # of Units: 108  
 No. / % of Low Income Units: 107 100.00%  
 Federal Set-Aside Elected: 40%/60%  
 Federal Subsidy: Tax-Exempt/HOME/HUD Section 8 Project-based Vouchers  
 (8 Units-7%)

**Information**

Housing Type: Large Family  
 Geographic Area: Inland Empire Region  
 CTCAC Project Analyst: Cynthia Compton

**55-Year Use / Affordability**

<b>Aggregate Targeting</b>	<b>Number of Units</b>	<b>Percentage of Affordable Units</b>
30% AMI:	27	25%
40% AMI:	16	15%
50% AMI:	14	13%
60% AMI:	50	47%

**Unit Mix**

27 1-Bedroom Units  
 51 2-Bedroom Units  
30 3-Bedroom Units  
 108 Total Units

<u>Unit Type &amp; Number</u>	<u>2022 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
12 1 Bedroom	60%	\$990
3 1 Bedroom	50%	\$825
5 1 Bedroom	40%	\$660
5 1 Bedroom	30%	\$495
22 2 Bedrooms	60%	\$1,188
8 2 Bedrooms	50%	\$990
7 2 Bedrooms	40%	\$792
9 2 Bedrooms	30%	\$594
16 3 Bedrooms	60%	\$1,373
3 3 Bedrooms	50%	\$1,144
4 3 Bedrooms	40%	\$915
5 3 Bedrooms	30%	\$686
2 1 Bedroom	30%	\$495
4 2 Bedrooms	30%	\$594
2 3 Bedrooms	30%	\$686
1 2 Bedrooms	Manager's Unit	\$0

#### **Project Cost Summary at Application**

Land and Acquisition	\$3,134,617
Construction Costs	\$25,974,894
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$1,616,685
Soft Cost Contingency	\$268,250
Relocation	\$0
Architectural/Engineering	\$1,197,176
Const. Interest, Perm. Financing	\$2,494,684
Legal Fees	\$220,000
Reserves	\$280,802
Other Costs	\$16,246,841
Developer Fee	\$7,321,352
Commercial Costs	\$1,300,000
<b>Total</b>	<b>\$60,055,301</b>

**Residential**

Construction Cost Per Square Foot:	\$317
Per Unit Cost:	\$544,031
True Cash Per Unit Cost*:	\$527,561

<b>Construction Financing</b>		<b>Permanent Financing</b>	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
Citi -Tax Exempt	\$31,300,000	Citi -Tax Exempt	\$7,974,034
HOME - County of Riverside	\$900,000	HOME - County of Riverside	\$1,000,000
Community Resource Development	\$1,360,000	Community Resource Development	\$1,360,000
City of Coachella	\$13,568,850	City of Coachella	\$13,568,850
IIG - HCD <sup>1</sup>	\$4,045,000	IIG - HCD <sup>1</sup>	\$4,045,000
Deferred Developer Fee	\$7,041,625	Deferred Developer Fee	\$1,818,115
Tax Credit Equity	\$1,839,827	Subordinate Developer Fee	\$3,821,352
		Solar Tax Credit Equity	\$184,711
		Tax Credit Equity	\$26,283,240
		<b>TOTAL</b>	<b>\$60,055,301</b>

\*Less Fee Waivers, Seller Carryback Loans, and Deferred Developer Fee

<sup>1</sup>Infill Infrastructure Grant

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$55,987,236
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$72,783,407
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$2,911,303
Approved Developer Fee (in Project Cost & Eligible Basis):	\$7,321,352
Investor/Consultant:	The Richman Group Equity
Federal Tax Credit Factor:	\$0.90280

Except as allowed for projects basing cost on assumed third party debt, the “as if vacant” land value and the existing improvement value established at application for all projects, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual

**Significant Information / Additional Conditions:** None.

**Resyndication and Resyndication Transfer Event:** None.

### **Standard Conditions**

If applicant is receiving tax-exempt bond financing from other than CalHFA, the applicant shall apply for a bond allocation from the California Debt Limit Allocation Committee's next scheduled meeting, if not previously granted an allocation; shall have received an allocation from CDLAC; and, shall issue bonds within time limits specified by CDLAC.

The applicant anticipates financing more than 50% of the project aggregate basis with tax-exempt bond proceeds as calculated by the project tax professional. Therefore, the federal credit reserved for this project will not count against the annual ceiling.

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

CTCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of CTCAC.

The applicant must pay CTCAC a reservation fee calculated in accordance with regulation. Additionally, CTCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within CTCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

If the applicant has requested the use of a CUAC utility allowance, CTCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from CTCAC, this project is not eligible to use a utility allowance based on the CUAC.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by CTCAC at placed-in-service.

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by CTCAC in its final feasibility analysis.

### **CDLAC Additional Conditions**

The applicant/owner is required to comply with the CDLAC Resolution. At the time of the CTCAC placed in service review, CTCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.